

# Bumper harvest for Northern Ireland's farmers but cost rises temper mood

Northern Ireland's farmers enjoyed a bumper year in 2021 as a ramp up in farm gate prices boosted incomes despite a hike in input costs.

Widely watched figures from the Department of Agriculture, Environment and Rural Affairs said the sector notched up income of £501 million, an 8.3% jump on 2020.

The move was reflective of an increase in output and prices across the board and has spurred a relatively positive outlook for individual farm business income for the current year.

Across all farm types it is expected to rise 16% to £39,741 in 2021/2022 compared to the previous year with cereal, dairy and mixed farm types all expected to enjoy an increase as a result of higher output prices and, for cereals, a ramp up in yields.

However, a rally for feed costs are expected to act as a drag on the pig sector and dent farm incomes. It has historically been one of the most vulnerable to high input prices given its reliance on grain-based feed and its relatively malleable supply chain.

And anecdotal evidence would suggest other sectors may not enjoy such a sunny outlook with input prices.

Fertiliser prices have nearly tripled in just over a year while fuel has also jumped sharply meaning any increase in the price paid for goods at the farm gate could easily be negated in the current year.

A look at the cost of major inputs paid last year show those increases were beginning to be felt.

The total value of gross inputs increased by 10% in 2021, to £1.72 billion. Feedstuffs costs, which accounted for 56% of the total gross input estimate, increased by 14% to £958 million in 2021.

The total cost of fertilisers in 2021 increased by 15% with an 8% decrease in the volume purchased and a 26% increase in the average price paid per tonne. There was also an 8% rise in total lime purchases, with the result that total expenditure on fertilisers and lime increased by 16% to £96 million.

Total machinery expenses increased by 8% to £152 million in 2021, mainly as a result of an 18% increase in the cost of fuel and oils.

Still, the boost to output last year from impressive.

Total gross output for agriculture in Northern Ireland was 9% higher at £2.43 billion in 2021.

There was an 11% increase in the value of output from the livestock sector, while field crops increased by 34% and horticulture was 9% lower. These figures are for the calendar year and therefore they represent the outturn across two harvest years.

Dairying remains the largest contributor to the total value of Gross Output at £805 million in 2021; an increase of 20% between 2020 and 2021. The annual average farm-gate milk price increased by 16% to 31.53 pence per litre while the volume of raw milk produced in Northern Ireland increased by 3% to 2.5 billion litres.

The output value of cattle was 7% higher at £485 million in 2021. The total number of animals slaughtered increased by 1.0% in 2021, whereas, the average carcass weights for clean and cull animals were 0.5% higher and 0.6% lower respectively. These changes resulted in the volume of meat produced being 1.2% higher in 2021. The average producer price for finished

clean cattle was £3.83 per kilogram in 2021 while the average producer price for cull animals was £2.70 per kilogram. These prices were both 11% higher than their respective averages for 2020. In addition to these changes, there were also increases in the number of store cattle imported to Northern Ireland in 2021.

The value of output from sheep increased by 13% to £95 million in 2021. The total number of sheep slaughtered decreased by 7% in 2021 whereas the average carcass weight increased by 0.5% to 22 kilograms. Volume of sheep meat produced decreased 7% in 2021. The average producer price increased by 18% to £5.35 per kg.

The value of output in the poultry sector increased by 8% to £325 million in 2021 while the egg sector increased by 4% to £125 million. The value of pig output decreased by 2% to £209 million. All intensive sectors recorded an increase in production volumes, with pigs up by 4%, eggs up by 3%, and poultry up 3% compared with the previous year. Producer prices in the poultry and eggs sectors increased by 8% and 1% respectively, whereas, the producer price for pigs decreased by 5%.

The total output value for field crops increased by 34% in 2021 to £84 million. This was mainly as a result of increases in grain prices and yields for cereal crops grown in 2021. The value of output for cereals increased by 50% to £47 million whereas the value of output for potatoes decreased by 2% to £21 million. Output values for field crops are across a calendar year and include production from two harvests.

The value of output recorded in the Horticulture sector was lower year on year for 2021, at £87 million. Mushrooms is the largest contributor to this sector in value terms, with an estimated output value of £30 million.

The estimated value of the 2021 direct payments (Basic Payment

Scheme, Greening Payment and Young Farmers' Payment) was £308 million, representing an increase of 4%, when compared with the 2020 payments.